7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

enabled to obtain sufficient credit to buy seeds, fertilizer, livestock, machinery and other means of production and to make it unnecessary for them to sell their crops immediately after harvest at extremely low prices. The Mission therefore suggests that the Development Board provide sufficient funds to raise the paid-in capital of the Bank to about ID 2,000,000. This should permit the Bank to expand its credit operations and refund its borrowed resources. Action to enable the Bank to increase its lending will be largely ineffective, however, unless at the same time greater care is exercised to insure that loans are promptly repaid and that farmers, who are often improvident, borrow only for purposes which will increase their output. In the past a considerable portion of the Bank's capital has become frozen as the result of repeated extensions of the maturity dates on its loans.

Good storage facilities for grain and perhaps other crops would reduce losses due to infestation, improve the quality of grain, assist in the stabilization of prices and provide some assurance against famine. At present grain is often stored in the open or in inadequate buildings and sheds. A modern 5,000-ton grain elevator has recently been erected in Baghdad, and another of 40,000 tons is projected for Basra to serve the export trade. There is, however, an urgent need for less elaborate and smaller storage facilities throughout the grain-growing areas. These could be of simple concrete or corrugated steel construction and range in capacity from 1,000 to 3,000 tons. Simple cleaning machinery would be desirable in order to remove impurities from the grain. Such storage facilities, which might have a total capacity of about 75,000 tons, would presumably be owned and operated by the Grain Board, an autonomous government agency, and would need to be closely controlled so that the Agricultural Bank could with safety make loans against grain stored in them by farmers and merchants. Under such conditions, more merchants would probably enter the market to bid for grain at harvest time and farmers themselves would not be under the necessity of marketing their grain immediately after the harvest irrespective of the level of prices.

Although an impressive law on cooperatives has been put on the statute books, almost nothing has been done to organize effec-